

Workgroup Name and #: Stationary Source Strategy (#3)

1. Charge:

- Develop a stationary source policy framework proposal to be presented at the **June 2004** Natural Resources Board meeting. The proposed framework will identify the universe of regulatory sources and the menu of regulatory options available for each sector of the regulated community. At a minimum the regulatory options considered will include individually negotiated Title V and Major source NSR permits, minor source permits, FESOPs, combined/consolidated construction and operation permits, registration permits, general permits, permits by rule, exemptions, and green tier.
- As authorized by the Natural Resources Board, take this framework out for public comment during **summer 2004**.
- Refine the framework based on public comment.
- Report to Legislature and Legislative Audit Committee in **September 2004** with full framework and draft rules/statutes, per Act 118 and Legislative Audit Report requirements.
- Provide ongoing support for statute and rule changes. Provide ongoing policy direction to support implementation of the stationary source policy framework.
- Provide support to Workgroups 4, 8 and 11 as they translate the policy decisions into actual processes and procedures.
- Recommend to Workgroup 5 Performance Outcome Measures and Management System options to support the proposed stationary source policy framework.

2. Targets that Apply to this Workgroup:

Process

- Target: By December 2004, define a process which ensures that regulated facilities will be covered under just one primary compliance document. By December 2005, complete development and begin implementation.

Environment

- Target: The air program sets data driven environmental goals and outcomes. By June 2005, demonstrate how the primary compliance document aids in meeting these goals and outcomes through fostering compliance, promoting improved environmental performance and rewarding businesses who go beyond compliance.

Financial

- Target: By June 2006, reduce the hours spent per permit review, renewal, and revision by an average of 20-40% while providing equal or better environmental protection.
- Target: By June 2006, the permit program will reduce by 40-50% the need to revise or modify permits. This could be accomplished by: sharing draft permits, incorporating flexibility; utilizing, modifying, or expanding exemptions; offering alternatives; or refining existing regulations. Evaluate the results of these strategies to ensure that they are consistent with our environmental and public input goals.
- Target: Continue allocating resources in alignment with funding constraints, to support program priorities and customer needs.

Innovation & Learning

- Target: By June 2006, the air program will have available at least 2 or more regulatory alternatives to traditional permitting for qualifying sources. Such alternatives will provide equal or better environmental protection and opportunity for public input.

3. Other Items to be Included in the Scope:

- APII Recommendations:
- ACT 118 Requirements: Alternative Regulatory Strategies: registration permits, exemptions, general permits.
- EPA NOD Requirements: All.

- LAB Requirements: Alternative Regulatory Strategies: registration permits, exemptions, general permits.

Sideboards:

The proposed framework will:

Fully satisfy federal Clean Air Act requirements;

- Be financially sustainable; and,
- Simplify and clarify stationary source regulatory requirements.

4. People/Expertise/Skills to be On the Workgroup:

Core Group:

DNR Leads: Caroline Garber, Mary Jo Kopecky

DNR staff: Work Group 4, 8 and 11 Leaders, Cooperative Environmental Assistance Business Sector Specialist, Permit Section Chief and Compliance Section Chief

Department of Commerce

Outreach Groups:

Internal “Think Tank”: Managers and staff from throughout the Air Program(including compliance staff) and associated programs, such as Cooperative Environmental Assistance, who would brainstorm ideas and then react to work products from the Core Group .

External “Think Tank”: Representatives of key stakeholders and other externals who are innovative thinkers who would brainstorm ideas and then react to work products from the Core Group.

Resource	FY04-4	FY05-1	FY05-2	FY05-3	FY05-4	FY06-1	FY06-2	Total
Caroline Garber	100	100	50	50	50	20	20	390
Mary Jo Kopecky	60	60	40	40	40	20	20	280
Workgroup 4 Leader	20	30	30	20				100
Workgroup 8 Leader	60	130	20					210
Workgroup 11 Leader	60	140	20					220
Business Sector Specialist	30	50	20					100
Permits Section Chief	15	25	10					50
Compliance Section Chief	10	10	5					25
Dept of Commerce Rep	50	100	20					150
Internal Think Tank – Hrs/each	10	10						20 each
External Think Tank – Hrs/each	10	10						20 each
Total Hrs (excluding Int/Ext &	355	445	195	110	90	40	40	

Commerce (1375 Hrs)

5. Other people or projects this workgroup should coordinate with:

- NOD Workload Analysis and Fee Analysis, to be completed by June 4, 2004.
- NOD 4 Programmatic Issues, significant action to be completed by June 4, 2004.
- Draft General Construction Permit rule and draft registration rule, to be presented to the NRB in June 2004.
- Consult with Sheri Stach regarding the fee strategy.

6. Dependencies – (what products does this workgroup rely on from others):

- All workgroups depend on this workgroup for direction.
- NOD Workload Analysis and Fee Analysis, to be completed by June 4, 2004.
- NOD 4 Programmatic Issues, significant action to be completed by June 4, 2004.